

To: Governor
From: Buddy B.
Re: RGA-sponsored conference call with reporters
Date: January 22, 2009

Governor,

Mike Schrimpf, Communications Director at the RGA, is trying to assess interest in having a few Republican governors talk to reporters next week on ways to improve the stimulus plan. This could be done via a conference call.

His thought is that while a certain balance may need to be struck in the first days of the new administration, the proposed stimulus plan provides an opportunity for GOP governors to be portrayed as level-headed leaders who are not interested in opposing Obama's plans for political reasons, but simply want to improve it, and if it is going to happen, make sure it works as well as it possibly can.

Below is a general outline of what governors could talk about, each weighing in on topics they are comfortable with.

Yes, interested in participating in a conference call _____

No, not interested _____

General message

GOP Governors want to ensure that any spending package is a true stimulus package.

Mention Philly, how President Obama wants dialogue with governors about what would work and what would not.

- Praise most of the proposed tax cuts.
- Infrastructure dollars

If we are going to spend money on infrastructure dollars, the federal government should not be dictating to the states how to spend those dollars.

Should not impose Davis-Bacon requirements which would only decrease the productivity of the dedicated infrastructure dollars and result in less total jobs created and less completed infrastructure projects

Medicaid

The stimulus package should not include one-time payments for recurring state expenses.

- Doing so creates structural budget deficits for state budgets in the future when those one time funds disappear.

- Not only is it fiscally reckless, but it will not create any new jobs.

Express concern about the overall size of the package

- States have to balance budgets

- Recent reports say that the year's deficit could top \$1 trillion.

- That type of deficit is unprecedented even in the Bush years and unsustainable.

- Already spent xx dollars on the stimulus package why will another \$750 billion make a difference?

- There have already been a lot of reports of pork in the stimulus.

Should force Congress to make the stimulus as targeted as possible, on proposals that have the potential to create jobs.

- No to the trillion dollar Democratic proposal

- Five Democratic governors asked for a trillion dollar plan that essentially asks to bail out their general funds.

- Not what was discussed in Philadelphia, and not the type of federal support that GOP governors need.